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BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

BOB STUMP – Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

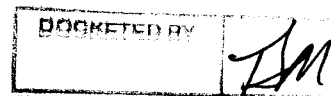
AZ CORP
DOCKET COR

Arizona Corporation Commission

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JAN 18 2013



In the matter of:

DOCKET NO. S-20858A-12-0412

INTERNATIONAL AIR MEDICAL SERVICES,
INC., and

THOMAS F. KELLEY and LAURA KELLEY,
husband and wife,

Respondents.

THIRD
PROCEDURAL ORDER
(Schedules Hearing)

BY THE COMMISSION:

On September 21, 2012, the Securities Division (“Division”) of the Arizona Corporation Commission (“Commission”) filed a Notice of Opportunity for Hearing (“Notice”) against International Air Medical Services, Inc. (“IAMS”) and Thomas F. Kelly and Laura Kelley, husband and wife (collectively “Respondents”), in which the Division alleged multiple violations of the Arizona Securities Act (“Act”) in connection with the offer and sale of securities in the form of notes and/or stock.

The Respondents were duly served with a copy of the Notice.

On October 16, 2012, a request for hearing in this matter was filed on behalf of Respondents.

On October 22, 2012, by Procedural Order, a pre-hearing conference was scheduled on November 19, 2012.

On November 19, 2012, at the pre-hearing conference, the Division and Respondents appeared through counsel. The parties indicated that they are discussing a possible resolution of the issues raised by the Notice. The Division requested that a status conference be scheduled in January 2013 for further disposition if the parties cannot agree on a resolution of the proceeding.

On November 21, 2013, by Procedural Order, a status conference was scheduled on January 15, 2013.

1 On January 15, 2013, Respondents and the Division appeared through counsel at the status
2 conference. Thus far, the parties have not reached a resolution of the issues raised by the Notice, and
3 the Division requested that a hearing be scheduled in the proceeding.

4 Accordingly, a hearing should be scheduled.

5 IT IS THEREFORE ORDERED a **hearing** shall be held on **June 3, 2013, at 10:00 a.m.**, at
6 the Commission's offices, 1200 West Washington Street, Hearing Room No. 2, Phoenix, Arizona.

7 IT IS FURTHER ORDERED that the parties shall also set aside **June 4, 5, 6 and 7, 2013**, for
8 **additional days of hearing**, if necessary.

9 IT IS FURTHER ORDERED that the **parties shall exchange copies of their Witness Lists**
10 **and copies of their Exhibits**, with courtesy copies provided to the presiding Administrative Law
11 Judge, **by May 17, 2013**.

12 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
13 Communications) is in effect and shall remain in effect until the Commission's Decision in this
14 matter is final and non-appealable.

15 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
16 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission
17 *pro hac vice*.

18 IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance
19 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
20 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances
21 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is
22 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the
23 Administrative Law Judge or the Commission.

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1 IT IS FURTHER ORDERED that the Presiding Administrative Law Judge may rescind, alter,
2 amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by
3 ruling at hearing.

4 DATED this 18TH day of January, 2013.

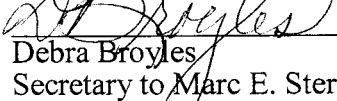
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6
7 
8 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

9
10 Copies of the foregoing mailed/delivered
this 18TH day of January, 2013 to:

11 Alan S. Baskin
12 BADE BASKIN RICHARDS PLC
13 80 East Rio Salado Parkway, Suite 511
Tempe, AZ 85281
Attorney for Respondents

14 Matt Neubert, Director
15 Securities Division
16 ARIZONA CORPORATION COMMISSION
1300 West Washington Street
Phoenix, AZ 85007

17 ARIZONA REPORTING SERVICE, INC.
18 2200 North Central Avenue, Suite 502
Phoenix, AZ 85004-1481

19
20 By: 
21 Debra Broyles
Secretary to Marc E. Stern
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23
24
25
26
27
28